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SERVICE DATE – AUGUST 1, 2018

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36208]

Progressive Rail Incorporated—Continuance in Control Exemption—St. Paul & Pacific Railroad Company, LLC

Progressive Rail Incorporated (PGR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of St. Paul & Pacific Railroad Company, LLC (SPR), upon SPR's becoming a Class III rail carrier.

This transaction is related to a concurrently filed verified notice of exemption in St. Paul & Pacific Railroad Company, LLC—Change in Operator Exemption—Santa Cruz and Monterey Bay Railway Company, Docket No. FD 36207. In that proceeding, SPR seeks an exemption under 49 C.F.R. § 1150.31 to assume operations over approximately 31 miles of rail line (the Line) owned by the Santa Cruz County Regional Transportation Commission extending from milepost 0.433 at Watsonville Junction to milepost 31.39 at Davenport, Cal.

The earliest this transaction may be consummated is August 15, 2018, the effective date of the exemption (30 days after the verified notice was filed). PGR states that it intends to consummate the transaction on August 16, 2018.

PGR will continue in control of SPR upon SPR's becoming a Class III rail carrier and remains in control of Class III carriers Airlake Terminal Railway Company, LLC, Central Midland Railway Company, Iowa Traction Railway Company, Iowa Southern

Railway Company, Piedmont & Northern Railroad Company, and Chicago Junction Railway Company.

PGR states that: (1) the rail line to be operated by SPR does not connect with any other railroads in the PGR corporate family; (2) the continuance in control is not part of a series of anticipated transactions that would connect this line with any other railroad in the PGR corporate family; and (3) the transaction does not involve a Class I rail carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. §1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than August 8, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36208, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Audrey L.

Brodrick, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL  
60606-2832.

Board decisions and notices are available on our website at [WWW.STB.GOV](http://WWW.STB.GOV).

Decided: July 27, 2018.

By the Board, Amy C. Ziehm, Acting Director, Office of Proceedings.